



NEWS RELEASE

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USDA CORRECTS OCTOBER CROP ACREAGE ESTIMATES

WASHINGTON, OCT. 28, 2008 – The U.S. Department of Agriculture today adjusted its official October acreage and production estimates for six field crops. USDA revised the numbers after discovering discrepancies in a Farm Service Agency (FSA) database of producer-reported crop acreage used by the National Agricultural Statistics Service (NASS). NASS published the changes this morning in a corrected version of the Oct. 10 *Crop Production*. The World Agricultural Outlook Board also issued an abbreviated *World Agricultural Supply and Demand Estimates* (WASDE) report reflecting the acreage updates.

This morning's crop report includes changes to acreage and production estimates for corn, soybeans, sorghum, canola, sunflowers and dry edible beans. The revisions will have no impact on crop support payments to farmers.

Compared to the Oct. 10 release, the corrected *Crop Production* report reflects 1.2 percent fewer planted acres for corn, 1.4 percent fewer planted acres for soybeans, 1.9 percent fewer acres planted for canola, 0.8 percent fewer planted acres for sunflowers, and 0.7 percent fewer planted acres for dry edible beans. The report also reflects a 2.5 percent increase in planted acres for sorghum. Even with the reduced acreage estimates, the 2008 corn crop is still on track to be the second largest on record, while the soybean crop will be the fourth largest.

The revised WASDE report lowers projected supplies, use and ending stocks for both corn and soybeans. Price forecasts are raised slightly for both commodities. Sorghum supply and use projections are revised to reflect the higher forecasted production.

In calculating crop acreage, NASS draws upon several data sources, including farmer surveys, satellite imagery and information reported by producers to FSA. In the original Oct. 10 report, NASS's production estimates were within the range of projections from private industry and other sources. Those independent projections had corn production ranging from 11.8 to 12.3 billion bushels and soybean production ranging 2.85 to 3 billion bushels. NASS projected 12.2 billion bushels of corn and 2.98 billion bushels of soybeans.

After the Oct. 10 reports were issued, FSA analysts noted a discrepancy between the raw data on its mainframe and the data it had provided to NASS on a system known internally as a "data mart." The data mart correlates and organizes the raw data for presentation to FSA county staff, NASS and other users in a more concise and accessible format.

USDA analysts have confirmed that data mart information used in previous reports was consistent with the information in the FSA mainframe database. Database management experts will review the discrepancies in the October data, focusing on how the two systems interact and how the mainframe data are transmitted and translated into the format used in the data mart.

This morning's corrected *Crop Production* report uses data from the FSA mainframe database, as will the Nov. 10 report.

As part of its comprehensive review process, USDA has notified the Office of Inspector General of the data discrepancy. Additionally, USDA has informed market regulators at the Commodity Futures Trading Commission and the Securities and Exchange Commission.

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